

**REMITTANCE ADVICE OR CLAIM OF EXEMPTION FROM USE TAX ON AIRCRAFT TRANSFER**

When title of an aircraft is transferred, the Michigan Use Tax Act requires payment of 6% use tax on the full purchase price *or* retail value of the aircraft, *whichever is greater*.

Please complete the Aircraft Use Tax Payment Notice portion of this document and calculate your use tax liability. Return the entire document with your remittance made payable to "State of Michigan." You must include a detailed bill of sale that substantiates the condition of the aircraft and the purchase price. The FAA bill of sale is not acceptable. Your payment or response is due within 30 days of your registration.

**EXCEPTIONS:**

- If you purchased the aircraft from a Michigan dealer and already paid sales tax, do not complete the payment notice. Return this document with a copy of the bill of sale showing you paid sales tax to the dealer.
- If you paid tax directly to Michigan Treasury on your Sales, Use and Withholding Taxes Return, enter your tax account number and the filing period in which you made the payment below. Include a detailed bill of sale that substantiates the condition of the aircraft at the time of purchase and the purchase price. The FAA bill of sale is not acceptable.

Account Number \_\_\_\_\_ Filing period (month/year) \_\_\_\_\_.

- If the aircraft was purchased under a claim of tax exemption, identify the type of exemption you are claiming in the space provided *and substantiate the exemption by submitting supporting documentation*. Please refer to the examples of exemptions listed on the following page.

Reason for exemption: \_\_\_\_\_.

- If you are a registered lessor, submit a copy of your Michigan Use Tax Registration and a copy of your lease agreement.

**Do Not Detach**

**AIRCRAFT SALES OR USE TAX PAYMENT NOTICE**

Your Name		Social Security/Federal Employer ID No.		Telephone Number	
Street Address		City		State	Zip
Date of Purchase	Aircraft Make & Model		Aircraft Year	Aircraft FAA No.	
Enter the name and address of the seller of the aircraft.			Gross Purchase Price		
			\$		
			Use Tax Rate                      X                      .06		
			<b>TOTAL DUE</b> <b>Pay this amount                      \$</b>		

Signature:	Date:
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Make check payable to "State of Michigan"  
 Mail payment and/or documentation to:  
**Discovery & Tax Enforcement Section**  
**P.O. Box 30140**  
**Lansing, MI 48909-7640**  
 Phone: 517-636-4120  
 Fax: 517-636-4156

If you have any questions, please contact Aircraft Unit of the Discovery & Tax Enforcement Section at (517) 636-4120

The following are examples of allowable use tax exemption claims for an aircraft. Michigan courts have ruled that an exemption from the general rule of taxation is a favored status, and that the person claiming such a favored status has the burden of proving that they are entitled to the exemption being claimed.

### **Relative Exemption Claim**

Michigan grants an exemption from use tax when the buyer and seller have an immediate family relationship. The only qualifying relationships are:

Spouse	Child, natural or adopted
Parent, natural or adoptive	Stepparent, stepbrother, stepsister, stepchild*
Brother or sister	
Grandparent or grandchild	
Legal ward, or legally appointed guardian with a certified letter of guardianship	

\*Exempt from tax when both parents that created the step relationship through their marriage were alive and married at the time of transfer.

Documentation that will support your claim of relative exemption must show the relationship between you (the buyer) and the seller. Examples include marriage licenses, birth certificates and certified letters of guardianship issued by a court.

### **Exemption for Agricultural Use**

To verify your exemption claim you must submit a copy of your Pesticide Applicator's license issued by the Michigan Department of Agriculture. You must also submit a copy of the Special Airworthiness Certificate issued by the FAA that restricts the usage of this particular aircraft to agriculture and pest control.

### **Use Tax Exemption on Transfer of an Aircraft to or from a Business**

The transfer of an aircraft to or from a business can be exempt from use tax under the following three criteria:

1. Sales or use tax was previously paid to Michigan on the aircraft (or the aircraft was determined exempt from Michigan sales or use tax); AND
2. The aircraft is being transferred as part of the organization, reorganization, dissolution or partial liquidation of a business; AND
3. The beneficial ownership is not changed (i.e. no one can profit from the ownership transfer).

Documents supporting this exemption include tax receipts, business forms such as corporate meeting minutes or dissolution papers. Additional information is provided in Revenue Administrative Bulletin 1991-1. Refer to our Treasury Web site at <http://www.michigan.gov/treasury>.

### **Claim of Resale**

To claim a resale exemption the following criteria must be met:

1. You must have a valid Michigan sales tax license.
2. You must have a valid aircraft dealer's license issued by the Michigan Department of Transportation, Michigan Aeronautics Commission.
3. You must have a dealer registration for the aircraft that allows the aircraft to be flown only for sale demonstration, ferrying or testing purposes incidental to a sale.

You must submit copies of each document listed.

### **Inheritance**

If you received the aircraft as an inheritance, you must submit a copy of the will that names you as the beneficiary of the aircraft.